(b) if so, the States where the new branches are proposed to be opened;

(c) whether any new branch is proposed to be opened in Orissa; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Under the Extant Branch Licensing Policy, the decision for opening of a bank branch at a particular centre has been left to the discretion of the banks themselves subject to obtaining prior licence from Reserve Bank of India (RBI). The banks take action in the matter after assessing the established need for banking vis-a-vis the financial viablity of the proposed branch. The RBI have authorized the public sector banks for opening of branches in almost all States. However, opening of these branches in 2000-2001 will depend on several factors such as finalization of premises, infrastructure, staff posting etc.

(c) and (d) RBI has reported that 16 authorizations have been given to public sector banks for opening of branches at the under noted centres in Orissa:

Sl. No.	Centre	Number of Branches
1.	Bhubaneshwar	6
2.	Bargarh	1
3.	Baripada	1
4.	Behrampore	2
5.	Cuttack	2
6.	Dharamgarh	1
7.	Gopalpur	1
8.	Rourkela	1
9.	Talcher	1
	TOTAL :	16

Demand of FICCI for long term fiscal Policy

2064. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chamber of Commerce and Industry has urged Government to frame a long term fiscal policy for atleast five years;

(b) if so, what is Government's reaction to such demand made by FICCI;

(c) whether Government are aware that long term fiscal policies are prevalent in many developed and developing countries;

(d) if so, whether Government would assess their policies before implementation in the country; and

(e) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) In formulating its fiscal policy the Government keeps in view the suggestions made by various professional/trade/business organisations. The Government recognise the need for imparting predictability in tax policy and policies are formulated keeping in view the economic situation and need for appropriate balance between revenue and expenditure consistent with policy objectives. On the taxation front the basic approach has been to move towards a tax structure which is simple, follows sound economic principles, relies on moderate tax rates and places emphasis on wider base and better enforcement. in Excise the task of convergence to a single rate of 16 per cent Central Value Added tax at the centre has been accomplished. This will encourage States to implement their agreed programmes for converting their sales taxes into VAT by 1.4.2001. Customs duty rates are being gradually phased down to bring them broadly in line with Asian levels in a few years. On the Direct taxes side, the emphasis has been to retain moderate tax rates for corporate and personal taxes. For medium term management of the fiscal deficit a committee has been set up to examine and make suitable recommendations for a strong institutional mechanism embodied in a Fiscal Responsibility Act. For expenditure management and restructuring an Expenditure Reforms Commission has been set up.

(c) to (e) Fiscal policies very considerably across developed and developing countries in terms of objectives, target variables, institutional coverage and method of implementation. Fiscal policy pursued by a country is largely a function of its assessment of its economy, fiscal situation, institutional structure and policy objectives.